



May 17, 2021

Matt Lombardo
MVP Health Insurance Company
625 State Street
Schenectady, NY 12305

Re: MVP Health Plan, Inc.
2022 Vermont Exchange Rate Filing – Individual
SERFF Tracking #: MVPH-132824950
Objection #2

Dear Mr. Lombardo:

The following additional information is required for this filing.

Notice regarding proper responses:

- A minimum-acceptable response to quantitative questions from us must include a spreadsheet calculation with retained formulas such that we can replicate the calculations therein.
- Explanatory responses are merely a supplement to the spreadsheet material and in of themselves will constitute a lack of response.

Questions:

1. Please provide detailed quantitative and qualitative support for the medical unit cost trend assumption separately for Vermont providers that are governed by the GMCB and all other providers. The support for the providers governed by GMCB should reconcile to the most recently approved budget changes (<https://gmcboard.vermont.gov/sites/gmcb/files/documents/B21%20Approved%20Budget%20Submissions%20with%20NPR%20graph%20as%20of%20Oct%201st.pdf>) and include an explanation and support for any differences. The support for all other providers should include the data and any adjustments that were made to the data to determine the best estimate of unit cost changes.
2. We acknowledge the following from page 6 of the Actuarial Memorandum, “MVP analyzed historical utilization patterns for its VT block of business and determined that the data has been too volatile in recent years to use for medical utilization trend purposes. MVP attributes this to volatility to the significant membership growth for tis block of business.” Please provide the analysis of the historical utilization patterns. This analysis should include quantitative and qualitative components.
3. Please reconcile the 13.8% of CY2019 claims that were above \$100,000 with the 12.3% shown in last year’s actuarial memorandum.

4. Please provide quantitative and further qualitative support for the utilization, unit cost, and deductible leveraging Rx trends in Exhibit 2b.
5. Please provide the historical annual Rx trends observed from 2016-2020, as well as the actual-to-expected ratio for the Rx trend in each year.
6. Provide quantitative support for the 1.064 trend factor applied to the claims for the deductible in Exhibit 2a.
7. Please provide quantitative and qualitative support for the Benefit Actuarial Value and Induced Demand reflected in Index Rate in Exhibit 7.
8. Please provide an exhibit showing the member months by plan and actuarial value for 2020, 2021 and the projection for 2022.
9. Please provide the national study performed by Wakely Consulting Group for the impact of the National High Cost Reinsurance Pool.
10. Provide additional support for the 1.4% trend in Exhibit 6 in the projection of the CSR load.
11. For each month from January 2017 through March 2021, please provide the total allowed costs, member months, and any normalization factors appropriate to normalize for changes in unit costs, population age factors, and induced utilization.
12. Please provide the bad debt as a percentage of premium over each of the last 3 years.
13. How has COVID-19 affected non-benefit costs (expenses such as overhead, travel, claims adjudication, profit, etc.)?
14. The Actuarial Memo Dataset indicates that benefit and AV changes account for approximately 4.5% of the requested rate increase.
 - a. How much of this increase in benefits was made due to requirements by law and/or to meet AV calculator requirements?
 - b. For the portion not made due to these items, please explain the reasons for increasing benefits and justify.
 - c. Please reconcile the impact of benefit changes shown in the Actuarial Memo Dataset to the Plan Design Changes factor of 1.000 shown in the URRT.
15. Please provide the cost and utilization components of the \$1.14 PMPM impact for COVID-19 booster shots. Please provide further qualitative and quantitative support for these assumptions.
16. Please provide further qualitative and quantitative support for the \$1.89 PMPM impact for Telehealth Utilization Increases. This should include a derivation of the calculated impact as well as support for any assumptions made.
17. We are aware of an updated actuarial certification from Wakely for the 2022 Standard Plan due to IRS-release final H.S.A. limits for 2022. It is our understanding that the out-of-pocket maximum for the Standard Bronze HDHP plan is being lowered from \$7,100 to \$7,050 to remain H.S.A-

qualified. Please provide the calculation of the rate impact resulting from this revision. However, do not provide fully revised documentation (URRT, Act Memo, Exhibits, etc.) at this time.

To ensure that the review of your filing is completed before statutory deadlines, we expect you to respond as expeditiously as possible, but no later than May 24, 2020.

We trust that you understand these forms may not be used in Vermont until they are formally approved by the GMCB.

Sincerely,



Traci Hughes, ASA, MAAA
Consulting Actuary
Lewis & Ellis, Inc.
thughes@LewisEllis.com
(972)-850-0850